

Assembly Bill No. 1672

CHAPTER 779

An act to amend Sections 50700, 50701, 50702, 50703, and 50704 of the Health and Safety Code, relating to housing.

[Approved by Governor September 29, 2012. Filed with
Secretary of State September 29, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1672, Torres. Housing-Related Parks Program.

Existing law establishes the Housing-Related Parks Program, administered by the Department of Housing and Community Development, which provides grants for the creation, development, or rehabilitation of park and recreation facilities to cities, counties, and cities and counties that meet certain criteria for housing starts, as defined, for newly constructed units that are affordable to very low or low-income households.

This bill would instead provide that the program provide the grants to local entities based on the issuance of building permits for new housing units, or housing units substantially rehabilitated, acquired, or preserved with committed assistance from the city, county, or city and county, that are affordable to very low or low-income households. The bill would provide for substantial and additional bonus funds to specified jurisdictions and qualifying units.

The people of the State of California do enact as follows:

SECTION 1. Section 50700 of the Health and Safety Code is amended to read:

50700. For the purposes of this chapter, the following terms have the following meanings, unless the context clearly requires otherwise:

(a) "Designated time period" means the time period designated in the Notice of Funding Availability required under subdivision (b) of Section 50702.

(b) "Disadvantaged community," for the purposes of this program, means an area within a city, county, or city and county that is composed solely of those census tracts designated by the United States Department of Housing and Urban Development as having at least 51 percent of its residents of low- or moderate-income levels, using the most recent United States Department of Census data available at the time of the Notice of Funding Availability.

(c) "Infill project" means a residential or mixed-use residential project located within an urbanized area on a site that has been previously developed,

or on a vacant site where at least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses. For these purposes, a property is adjoining the side of a project site if the property is separated from the project site only by an improved public right-of-way.

(d) “Park and recreation facility” means a facility that provides benefits to the community and includes, but is not limited to, places for organized team sports, outdoor recreation, and informal turf play; nonmotorized recreational trails; permanent play structures; landscaping; community gardens; places for passive recreation; multipurpose structures designed to meet the special recreational, educational, vocational, and social needs of youth, senior citizens, and other population groups; recreation areas created by the redesign and retrofit of urban freeways; community swim centers; regional recreational trails; and infrastructure and other improvements that support these facilities.

(e) “Parks deficient community” means a community that has less than three acres of usable parkland per 1,000 residents.

(f) “Regional blueprint plan” means a regional plan that implements statutory requirements intended to foster comprehensive planning, as defined in Section 65041.1 of, Chapter 2.5 (commencing with Section 65080) of Division 1 of Title 7 of, and Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of, the Government Code. The regional blueprint plan articulates regional consensus and performance outcomes on a more efficient land use pattern that supports improved mobility and reduces dependency on single-occupant vehicle trips; accommodates an adequate supply of housing for all income levels; reduces impacts on valuable farmland, natural resources, and air quality; includes the reduction of greenhouse gas emissions; increases water and energy conservation and efficiency; and promotes a prosperous economy and safe, healthy, sustainable, and vibrant neighborhoods.

(g) “Urbanized area” means an incorporated city or an urbanized area or urban cluster as defined by the United States Census Bureau. For unincorporated areas outside of an urban area or urban cluster, the area shall be within a designated urban service area that is designated in the local general plan for urban development and is served by public sewer and water.

(h) “Urban use” means any residential, commercial, industrial, public institutional, transit, transportation passenger facility, or retail use, or any combination of those uses.

SEC. 2. Section 50701 of the Health and Safety Code is amended to read:

50701. There is hereby established in state government the Housing-Related Parks Program, to be administered by the department, using funds allocated, upon appropriation, under subdivision (d) of Section 53545, for the purpose of providing grants for the creation, development, or rehabilitation of park and recreation facilities to cities, counties, and cities and counties based on the issuance of building permits for new housing units, or housing units substantially rehabilitated, acquired, or preserved

with committed assistance from the city, county, or city and county, that are affordable to very low or low-income households.

SEC. 3. Section 50702 of the Health and Safety Code is amended to read:

50702. (a) To the extent that funds are available for this purpose, the department shall determine a base grant amount to be provided under this chapter to any city, county, or city and county that meets all of the following criteria:

(1) On or before the end of the period covered by the Notice of Funding Availability required under subdivision (b), the jurisdiction has adopted a housing element that the department, pursuant to Section 65585 of the Government Code, has found to be in substantial compliance with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code, and the jurisdiction submitted to the department the annual progress report required under Section 65400 of the Government Code for the preceding 12-month calendar year.

(2) The jurisdiction can document either of the following:

(A) The issuance of building permits for new housing units that are affordable to very low or low-income households within the designated time period and that meet either of the following criteria:

(i) In the case of rental units, the development is subject to a regulatory agreement recorded against the property that obligates the owner to maintain rents on the restricted units at levels affordable to very low or low-income households for at least 55 years.

(ii) In the case of ownership housing, units in the development are initially sold to households of very low or low income at an affordable housing cost. If public funds are used to achieve an affordable housing cost, then upon the sale of an assisted unit to a very low or low-income household, the public entity shall ensure the repayment of the public funds and reuse of those funds for affordable housing for a period of at least 20 years. The proposed mechanism for restrictions of ownership units shall be consistent with criteria established by the department and specified in the Notice of Funding Availability.

(B) The issuance of a certificate of occupancy or other evidence of readiness for occupancy within the designated time period for units that meet the requirements of paragraph (2) of subdivision (c) of Section 65583.1 of the Government Code, except that the city, county, or city and county may have committed assistance at any time during the projection period.

(b) For each year that funds are available, the department shall issue a Notice of Funding Availability for building permits issued during the designated time period. The department shall accept applications at the close of the designated period. Grant amounts shall be based on a per-bedroom incentive for each unit restricted for very low and low-income households. For the purposes of this section, single-room occupancies and studio apartments shall be considered one-bedroom units.

(c) If eligibility for funds exceeds the amount of funding available for the program, the department shall reduce all grants proportionally.

SEC. 4. Section 50703 of the Health and Safety Code is amended to read:

50703. (a) The department shall award bonus funds in addition to the base grant award for applicants that meet the requirements under Section 50702. The department shall determine the amount of the bonus funds to be awarded pursuant to this chapter.

(b) The amount of the bonus funds to be awarded shall be established in the Notice of Funding Availability.

(c) Substantial bonus funds shall be awarded for any of the following:

(1) Jurisdictions that demonstrate that grant funds will be spent to improve a park or community recreational facility that will serve a disadvantaged community, as defined in subdivision (b) of Section 50700.

(2) Jurisdictions that demonstrate that grant funds will be spent to create a new park or community recreational facility that will serve a disadvantaged community, as defined in subdivision (b) of Section 50700.

(3) Jurisdictions that meet the definition of a park deficient community, as defined in subdivision (e) of Section 50700.

(4) Qualifying new housing units.

(d) Additional bonus funds shall be awarded for any of the following:

(1) Qualifying units that are affordable to extremely low income households.

(2) Qualifying units that are developed in infill projects.

(3) Jurisdictions that have met or exceeded housing production thresholds established by the department, in consultation with the Department of Finance.

(4) Those jurisdictions that can demonstrate that grant funds will be spent to create or improve a park or community recreational facility to support infill development, or development within a jurisdiction that has conformed its general plan to the regional blueprint, as determined by the council of governments.

SEC. 5. Section 50704 of the Health and Safety Code is amended to read:

50704. (a) (1) Except as authorized under paragraph (2), a city, county, or city and county shall not receive a grant unless it qualifies, based on building permits issued during the period designated in the Notice of Funding Availability, for a grant in an amount of seventy-five thousand dollars (\$75,000) or more.

(2) If a city, county, or city and county is not able to meet the minimum qualification amount under paragraph (1), it may delay application, combine the number of building permits issued during the designated period described in paragraph (1) with the number of building permits issued during one or more subsequent Notice of Funding Availability periods, and apply once it is able to meet the minimum qualification amount by using the combined amount of building permits issued.

(b) Grants provided pursuant to this chapter shall be used for the costs of park and recreation facility creation, development, or rehabilitation, including, but not limited to, the acquisition of land for the purposes of those activities, consistent with the requirements set forth in Section 16727 of the Government Code.

(c) Funds awarded pursuant to this chapter shall supplement, not supplant, other available funding.

(d) A city, county, or city and county that receives funds under this chapter may subcontract through a recreation and park district formed under Chapter 4 (commencing with Section 5780) of Division 5 of the Public Resources Code, or a district formed pursuant to Section 5500 or 35100 of the Public Resources Code, for the creation or improvement of a park or recreational facility, or any nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(3)), that is exempt from taxation under Section 501(a) of that code (26 U.S.C. Sec. 501(a)), and that has among its purposes the conservation of natural or cultural resources.